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SIPDIS
AMEMBASSY ANKARA PASS TO AMCONSUL ADANA
AMEMBASSY ASTANA PASS TO USOFFICE ALMATY
AMEMBASSY BERLIN PASS TO AMCONSUL DUSSELDORF
AMEMBASSY BERLIN PASS TO AMCONSUL LEIPZIG
AMEMBASSY BELGRADE PASS TO AMEMBASSY PODGORICA
AMEMBASSY HELSINKI PASS TO AMCONSUL ST PETERSBURG
AMEMBASSY ATHENS PASS TO AMCONSUL THESSALONIKI
AMEMBASSY MOSCOW PASS TO AMCONSUL VLADIVOSTOK
AMEMBASSY MOSCOW PASS TO AMCONSUL YEKATERINBURG

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TAGS: [EINV](#) [ETRD](#) [ECON](#) [PREL](#) [CH](#) [EN](#)
SUBJECT: China Interested in Estonian Port

CLASSIFIED BY: Marc Nordberg, Political/Economic Chief; REASON:
1.4(B), (D)

Classified by Charge Karen Decker for Reasons 1.4 B & D.

11. (SBU) Chinese Vice Prime Minister Zhang Dejiang and Vice Foreign Minister Zhang Zhijun visited Tallinn November 2 - 3. While in Estonia, they met PM Andrus Ansip, President Toomas Ilves, visited the Port of Muuga, attended a business forum, and Zhijun met with FM Urmas Paet. Dejiang and Ansip signed MOUs on investment and trade development. Dejiang also led a delegation of 70 Chinese businessmen.

12. (C) Pol/Econ Chief met November 6 with MFA China desk officer Siiri Konigsberg for a read-out of the visit. Konigsberg, who was present in all meetings, said the overriding topic was economic relations. Estonia has no large Chinese investments, just a handful of Chinese-owned shops. Likewise, trade volumes are low and Estonia runs a trade deficit with China (in 2008 Estonia imported USD 431 million and exported USD 79 million to China). The one bright spot for economic relations, according to Konigsberg, is potential Chinese investment in Tallinn's Muuga Port (Tallinn's cargo harbor). In January 2008 Muuga and China's Ningbo Port signed a letter of intent for Ningbo to invest up to USD 218 million in an expanded container port at Muuga. While the companies have remained in contact, nothing concrete has come of that agreement. During this visit Dejiang visited Muuga and announced the Chinese Communist Party approved of the Muuga investment, but he offered no specific details. Because of this lack of action, the Port of Tallinn (owner of Muuga) has been seeking investors from other Chinese port companies. Chinese companies currently ship some air cargo through Tallinn Airport, and Ansip asked about the possibility of increasing such transit. Dejiang replied that over-flight permission from Russian was a problem.

13. (C) Konigsberg said the Chinese delegation briefly raised investment in telecommunications, transport, and tourism, but again there were no specific details. PM Ansip raised the possibility of Estonia sharing technology for using oil shale, and Dejiang said the idea was worth exploring. Estonian energy company Eesti Energia has visited China and is making contacts for oil shale cooperation. Dejiang also inquired about Estonia's e-government program, claiming China wants to explore e-government as a way of getting closer to its citizens. The delegations discussed

increasing academic exchanges. Currently 104 Chinese students study in Tallinn, 40 of them at the Music Academy.

¶4. (C) Politics played a minor role in the visit. Zhijun told FM Paet that China would like Estonia to be their "bridge" to the European Union, but Konigsberg said she had the impression Zhijun just did not understand how to communicate with Brussels. Zhijun also asked Paet if Estonia is optimistic the COP-15 climate change conference would prove successful, but did not speak about China's position. Paet intended to raise North Korea and Iran, but ran out of time.

¶5. (C) Konigsberg stated the Chinese delegation was extremely friendly and spoke about their desire to increase trade and investment in Estonia. However, she received the distinct impression Estonia is too small a market for China, and noted that the Chinese promised nothing concrete or detailed. The GOE is very interested in increasing economic ties with China, and will host the next semi-annual Estonia-China Joint Economic Commission in the first half of 2010 to focus on follow-through from this visit. Konigsberg also said it was likely either PM Ansip or President Ilves would lead an Estonian business delegation to the 2010 Shanghai EXPO.
DECKER